

W H E N

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**a status report on
workplace flexibility**

**who has it? who wants it?
what difference does it make?**

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WHY WORKPLACE FLEXIBILITY? WHY NOW?

The majority of employed Americans feel deprived of time. According to Families and Work Institute's 2002 National Study of the Changing Workforce (NSCW):

- 67 percent of employed parents say they don't have enough time with their children, about the same proportion as 10 years ago.
- 63 percent of married employees say they don't have enough time with their husbands or wives, up from 50 percent in 1992.
- In 2002, the only year in which asked, 55 percent of all employees say they don't have enough time for themselves.

Whole new phrases have entered our vocabularies to describe these feelings—the time crunch, the time bind, the time squeeze, the 24/7 economy and the everytime-everyplace workplace—and social movements to “take back our time” have emerged.

There are many reasons for these feelings of time pressure, but a very significant one is that work hours have increased for many employed Americans over the past 25 years. In comparing the 2002 NSCW with the 1977 Quality of Employment Survey (QES) for employees who work 20 or more hours per week,* we find:

- Men work 49 paid and unpaid hours on average at *all* jobs or the only job they have, up from 47 hours in 1977.
- The increase in hours worked by women is even larger—women work an average of 43.5 paid and unpaid hours now at *all* jobs, compared with 39 hours in 1977.

*Note: the QES only surveyed workers who worked 20 hours or more, thus we restrict the sample of the 2002 NSCW to this group when we make comparisons.

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About the Study

The NSCW is a nationally representative study of the U.S. workforce conducted every five years. The 2002 NSCW includes 2,810 wage and salaried employees.

This is a special report based on data on the wage and salaried workforce from Families and Work Institute's (FWI) National Study of the Changing Workforce (NSCW). All data are from the NSCW, unless otherwise indicated. The 2002 NSCW would not have been possible without the generous financial support of:

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Salt River Project
The survey respondents who donated their honoraria in order that we might continue this kind of research

Many of us still think of 40 hours as the standard work week and in fact, it is for the majority. In 2002, 72 percent of men and 55 percent of women reported that their regularly *scheduled* work week in their main jobs is 40 hours, with the average being 39.3 hours per week for men and 35 hours for women.

But the reality is that *unscheduled* hours have been climbing:

- Total paid and unpaid time per week at employees' main jobs is 46 hours in 2002 for men (5 hours more than their regular scheduled hours on average) and 39.8 hours for women (3.8 hours more than their regular schedule).
- Employed parents (defined as having at least one child under 18 living at home half time or more) report working a total of 44 hours a week on average at their main jobs.
- Employed fathers work 48.3 paid and unpaid hours per week at their main jobs. Fathers in dual-earner couples work 49 hours at their main jobs—perhaps surprisingly, even longer hours than fathers in single earner-couples, who work 47.3 hours.
- Employed mothers with a child under 18 work a total of 39.6 paid and unpaid hours on average at their main jobs, virtually the same number of hours as all women.
- Employees with elder care responsibilities work an average of 43 hours per week at their main jobs.

Clearly the “40-hour work week” is not a reality for many U.S. employees. It should also be noted that the average employee spends an additional 4 hours per week commuting to and from work.

Some 14 percent of employees (both men and women) have more than one job. Adding in the total number of paid and unpaid hours worked at *other jobs* to the hours worked in *main jobs* in 2002, we find that the total hours worked per week by all men increases from 46 to 48.2 hours, while for fathers, hours increase from 48.3 to 50.4 on average. Hours for all women increase from an average of 39.8 to 41.4, while for employed mothers, hours increase from an average of 39.6 to 41.2.

In the National Study of the Changing Workforce, we asked employees how many hours they would prefer to work each week. We find that 61 percent of wage and salaried workers—men and women alike—want to work fewer hours than they currently do:

- Men would like to work an average of 38.5 hours, women, an average of 32.5.

For those working longer hours than they wish, we asked all the reasons why they do so:

- 53 percent said they had to work long hours to achieve their own standards;
- 47 percent said they had to work long hours to keep up with the amount of work they have to do;
- 43 percent said they would be less successful than they would like to be if they worked fewer hours—reflecting, perhaps, the widespread belief (and often fact) that only by working long hours can one succeed;

- 42 percent said that their organizations would not be as successful if they worked fewer hours;
- 37 percent said they would earn less if they worked fewer hours and they could not afford to do so;
- 34 percent said they would lose their job if they worked fewer hours; and
- 16 percent said that they feel pressured by their supervisor/manager to work long hours.

Combining some of these responses, we find that among employees who would like to work fewer hours, 42 percent either say that they could not afford to or that they would lose their jobs if they did so. When we include those who feel pressured by their manager/supervisor to work long hours, or who are working long hours to keep up with the amount of work they have to do, that number increases to 51 percent. These employees are considered to be working longer hours than they prefer for *external* reasons as opposed to the 49 percent who are motivated by *internal* or personal reasons: to be more successful, to achieve their own standards, or because they wish to help their organizations succeed.

Today's employees are increasingly likely to feel pulled, even stretched thin, between their responsibilities at work and at home:

- In 1977, 34 percent of employees reported that work and family responsibilities interfered with each other "a lot" or "some." In 2002, that percentage rose significantly, to 45 percent.

Feelings of work-family interference are strongly related to how many hours employees work:

- 21 percent of employees working more than 50 hours per week experience "a lot" of work-family conflict versus only 5 percent of employees working fewer than 35 hours per week.
- Fully 37 percent of employees working fewer than 35 hours per week experience "no work-family interference" versus only 16 percent of those working more than 50 hours per week.

We also find that work-family interference is greater for those who would prefer to work fewer hours than they currently do and for employees who feel that they never have enough time to get everything done on their jobs.

Thus, it is no surprise that when employees are asked in surveys or focus groups what would reduce the work-life conflict they experience or help them manage better, they are most likely to ask for greater workplace flexibility.

This paper provides a **status report on workplace flexibility**: Who has it, who uses it, who wants it, and what difference it makes. We examine five different types of workplace flexibility:

- Flex-Time
- Reduced Time
- Flex-Leaves
- Flex-Careers
- Flex-Place

Although the public may think of workplace flexibility as being designed to help employees manage their lives at work and at home, many of these initiatives first emerged to address business or civic issues. For example, traditional flextime—allowing employees to choose their starting and quitting times within a range of hours—was a response by local governments to ease traffic congestion and air pollution during prime commuting times in order to comply with the 1970 federal Clean Air Act. It was only after putting flextime policies into place that employers and employees began to see their advantages: Flextime extends hours of business coverage for employers and it enables employees to create schedules that help them better manage their work, personal, and family responsibilities.

In fact, as we will argue in this paper, to be viable and sustainable a flexible workplace must meet the needs of both the employer and the employees. To assume flexible work options are “perks” for employees doesn’t make sense. We strongly believe—and share the evidence to support this view—that a more flexible workplace, when developed with attention to both employer and employee needs, can improve business performance and bottom-line outcomes, while also improving the quality of life for employees and their families—a potential win-win situation.

Aspects of Workplace Flexibility Measured in the 2002 National Study of the Changing Workforce

Flexibility is a way to define how and when work gets done and how careers are organized. Our index* of the flexible workplace is based on 13 specific measures:¹

- having traditional flextime (setting daily hours within a range periodically)
- having daily flextime
- being allowed to take time off during the work day to address family matters
- being able to take a few days off to care for a sick child without losing pay, having to use vacation days, or make up an excuse for absence
- being able to work some regular hours at home
- being able to take breaks when one wants to
- having a work shift that is desirable
- having complete or a lot of control over work schedule
- being able to work part-time (if currently full-time) or full-time (if currently part-time) in one’s current position
- being able to work a compressed work week
- being able to work part-year in current position
- seldom being required to work paid or unpaid overtime with little or no notice
- believing that one can use flexible work arrangements without jeopardizing job advancement

* In addition, we suggest a more abbreviated index of the flexible workplace in endnote 1.

Clearly, all aspects of workplace flexibility are not for all employers or all employees; however, flexibility is fast becoming an important dual-purpose solution.

FLEX-TIME

Under Flex-Time, we include traditional flextime, daily flextime, shift options, and compressed work weeks. These policies and practices are typically put into place for full-time employees—sometimes to help the company solve a business problem (such as having 24/7 hours of operation), sometimes to help employees manage their responsibilities at work and at home—and under the best of circumstances to meet the needs of both employees and employers.²

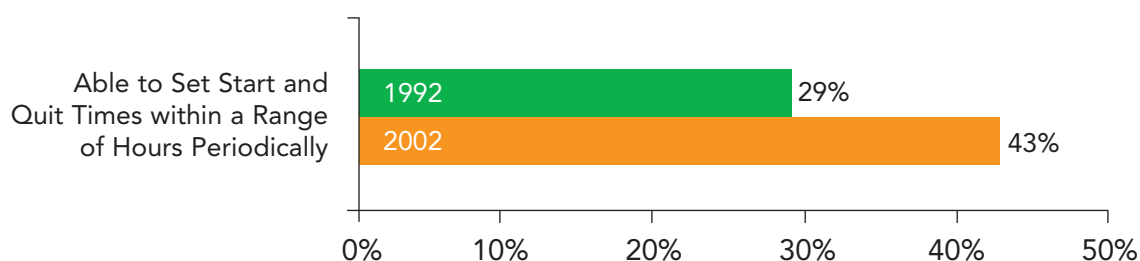
Traditional Flextime

Traditional flextime allows employees to select their starting and quitting times within a range of hours surrounding core-operating hours. As an example: An employee with access to flextime might be able to select a starting time between 8 a.m. and 10 a.m. and an ending time between 4 p.m. and 6 p.m.; the core operating hours, where all employees are expected to be present, would be 10 a.m. through 4 p.m. With traditional flextime, however, employees must select a schedule and then stick to it for a period of time.

Who has access to traditional flextime?

According to data from the 1992 and 2002 National Study of the Changing Workforce surveys, the proportion of wage and salaried employees who have access to traditional flextime has increased significantly from 29 to 43 percent over the past 10 years.

Figure 1: Access to Traditional Flextime in 1992 and 2002



Men and women, parents and non-parents, employees with elder care responsibilities and those without, and employees of different ages have equal access (43%) to traditional flex-time in their places of work. However, some segments of the workforce have more access to traditional flextime than others:

- Managers and professionals have significantly more access (56%) to traditional flextime than employees in all other occupations (37%);

- Employees who earn more—and managers and professionals are disproportionately represented in this group—have greater access to traditional flextime than employees who earn less; and
- Employees who work in service industries have greater access (45%) than those working in goods-producing industries (38%).

In sum, managers and professionals as well as employees in service industries tend, on average, to have jobs that allow for greater flexibility in when they start and end their workdays.

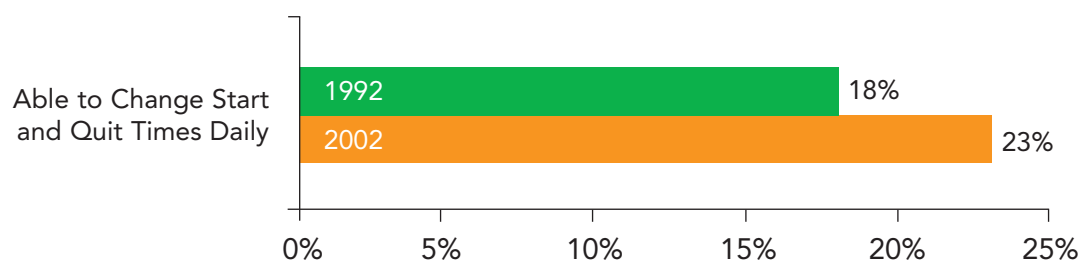
Daily Flextime

Daily flextime allows employees to select their starting and quitting times within a range of hours, typically surrounding core-operating hours, on a daily basis.

Who has access to daily flextime?

According to data from the 1992 and 2002 National Study of the Changing Workforce surveys, the proportion of employees who have access to daily flextime has increased from 18 to 23 percent over the past 10 years. In our experience, employers who allow daily flextime also expect employees to notify them of changes in daily hours and to coordinate their schedules with coworkers to ensure smooth operations on the job.

Figure 2: Access to Daily Flextime in 1992 and 2002



Who Uses Flextime—Traditional or Daily?

Employees with and without elder care responsibilities, employees at different earning levels, employees of different ages, employees in different occupational groups, and employees in different industrial sectors who *have access to flextime* are equally likely to use “all the flexibility that is available to them” to “set starting and quitting times that are most helpful to them.” However, it must be noted that:

- Women are somewhat more likely (79%) than men (68%) to use flextime when it is available; and
- Additionally, employed parents are somewhat more likely (78%) than non-parents (70%) to use flextime.

Although we find statistically significant differences between men versus women and parents versus non-parents in the utilization of available flextime, more important than that is that **the majority of men (68%) and the majority of non-parents (70%) use flextime when they have it. Fully 73 percent of the wage and salaried workforce use the flextime they are allowed to manage work, personal, and family demands. Flextime is clearly not just for women and parents.**

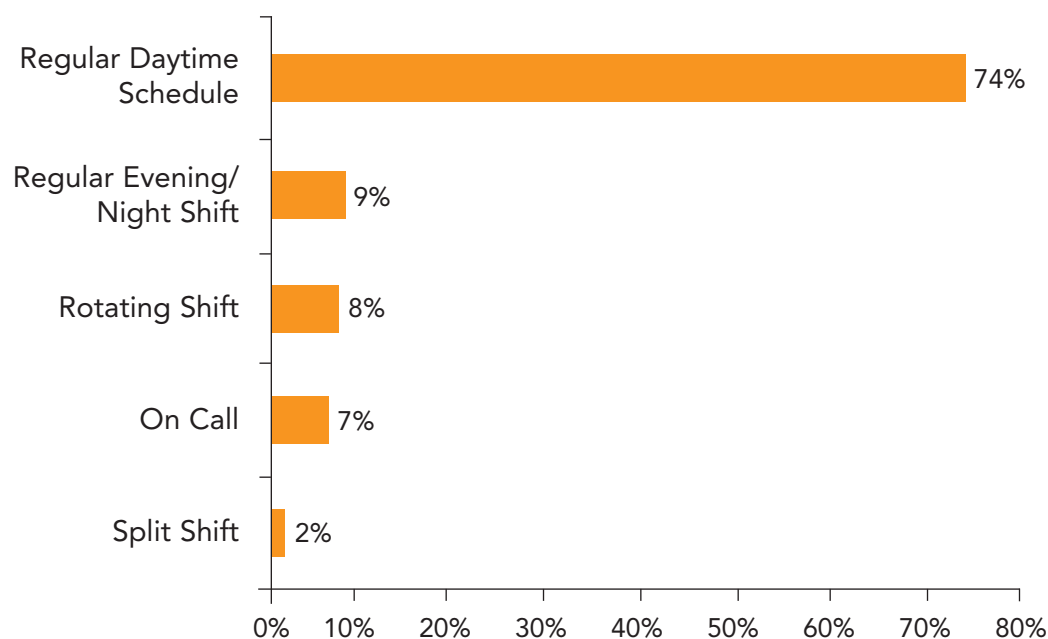
Shift Work

Work shifts specify the days and times during the day or night that employees work. Different shifts are designed to meet employers' labor needs. These schedules include regular day-time, evening or night shifts. In addition, there are rotating shifts that change by the time of day or the day of week, split shifts that consist of two distinct periods in each workday, and flexible or variable shifts with no set hours (often described as being "on call").

How prevalent are various shifts?

As shown in Figure 3, 74 percent of employees in the U.S. work regular daytime shifts, while 9 percent work either evening or night shifts. In addition, 8 percent work rotating or changing shifts, 7 percent are on call and 2 percent work split shifts. Among those working regular daytime shifts, 14 percent work at least one weekend day. Overall, 26 percent of employees work at least one weekend day.

Figure 3: Work Shift Schedule



Who works which shifts?

To simplify this presentation, we only consider regular daytime shifts (worked by 74% of employees) versus the other alternatives (worked by 26% of employees). We find:

- Employed parents are slightly more likely (76%) than non-parents (72%) to work regular daytime shifts;
- Employees in the bottom 25 percent of the earnings distribution are significantly less likely (63%) to work regular daytime schedules than others (78%);
- Employees under 30 years old are significantly less likely (59%) to work regular daytime schedules than older employees (78%);
- Managers and professionals are much more likely (85%) to work regular daytime schedules than employees in all other occupations (68%);
- Employees in goods-producing industries are slightly more likely (78%) to work regular daytime schedules than service employees (72%); and
- Men and women and employees with and without elder care responsibilities are equally likely to work regular daytime shifts as alternative shifts.

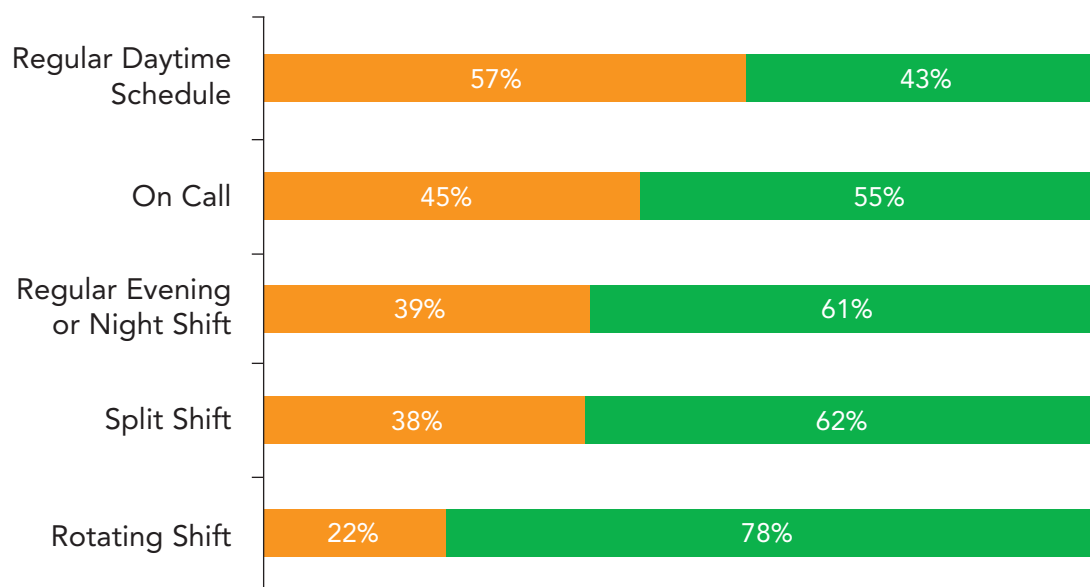
It appears that employees under 30 years old are less likely to work regular daytime schedules for two major reasons: they are more likely to be enrolled in education/training programs and they have less seniority on their jobs.

Who prefers which shifts?

Overall nearly one half (49%) of all U.S. employees would prefer to have a different shift than the one they currently have. Although one might think that it is mainly the people who work evenings or nights, or more variable shifts who would want a change, a high percentage of those working regular daytime shifts (43%) would prefer a different schedule. It is also surprising that employees who are "on call," working at the convenience of their employers, are as satisfied as they are with their work schedules (45% find this arrangement "perfect"). However, employees who work "on call" have higher annual earnings and are more likely to be professionals and managers than all but employees with regular daytime schedules, which may account for their relatively high levels of contentment with their seemingly more challenging work schedules. Rotating shifts, which are common within such professions as nursing, appear to be the most challenging, with 78 percent reporting that this arrangement is not working for them.

Figure 4 shows employees' shift preferences.

Figure 4: Work Shift Preferences



Among dual-earner couples with children under 6 years old, 41 percent rely entirely or mostly on parental care for their children while they are working, and 64 percent of these parents have specifically arranged their schedules to make this possible. This is an important example of when alternative shifts serve the needs of employees as well as employers.

Compressed Work week

A compressed work week enables employees to work their allotted hours over fewer days—such as 10 hours per day over 4 days rather than 8 hours per day over 5 days. One form of the compressed work week that has become quite popular in some sectors is “summer hours” which allows employees to compress their work weeks to 4 or 4 1/2 days during the summer months.

Who has access to a compressed work week?

We find that 42 percent of employees have the option of working compressed work weeks at least some of the time. Although men and women, parents and non-parents, employees with and without elder care responsibilities, employees at different earnings levels, and those in goods-producing and service industries are equally likely to have the option of working compressed work weeks, some segments of the workforce are more likely to be allowed to work compressed weeks than others:

- Younger employees—50 percent of those under 30 but only 38 percent of those 50 or older—have greater access to compressed work week options; and
- Managers and professionals are somewhat more likely (47%) than employees in all other occupations (40%) to have access to compressed work weeks.

REDUCED TIME

We define Reduced Time as part-time and part-year work.

Part-Time Work

Part-time work means working part days, five days per week or working full days, but fewer than five days per week. Job sharing, where two employees share one full-time job with its pro-rated salary and benefits, is also a form of part-time work. We distinguish part-time (i.e., part-week) employment from part-year employment, which is discussed next.

Who works part-time?

Seventeen percent of U.S. wage and salaried employees are employed in part-time positions (as defined by their employers)—24 percent of women and 9 percent of men.

To what extent is part-time work voluntary and for whom?

Overall, 63 percent of part-time employees are voluntary part-timers; however, 37 percent are not. Among women part-time employees, two thirds (67%) are voluntary part-timers, while only about half (52%) of men work part-time on a voluntary basis.

From these findings it is apparent that part-time employment serves the needs of both employers and employees in the majority of cases. **Nevertheless, there is a significant proportion of part-time employees (37%) who would prefer to be working full-time.**

- Perhaps surprisingly, among *all* women, those with children or elder care responsibilities are no more likely than other women to be voluntary part-time employees.

So who are the voluntary part-timers? One of the predictors among women is *having children and living in a higher income family*.

- Women who have children and whose spouses earn \$50,000 or more annually are significantly more likely to be voluntary part-time employees than others.

This is not an unexpected finding—obviously the loss of income associated with working part-time is a major impediment to part-time employment among employed mothers who are single or whose husbands are not high wage earners.

Another predictor is *being enrolled in education or training programs*:

- Women who are attending school are more likely to be voluntary part-time employees than other women.
- The same is true for men: Those enrolled in education/training programs are more likely than others to work part-time.

Still another predictor for women is *holding traditional gender role views*. We measure traditional gender role views by two items in the NSCW: 1) agreeing that the man should earn the money and the woman should take care of the home and children, and 2) disagreeing that a mother who works outside the home can have just as good a relationship with her children as a mother who is not employed.

- Among women who believe that “men should earn the money and women should stay home,” 24 percent are voluntary part-time employees while 14 percent work full-time.
- Among women who don’t believe that “employed mothers can have as good a relationship with their children,” 23 percent are voluntary part-time employees while 16 percent work full time.

Still another predictor is age:

- 16 percent of employees under 55 years old work part-time, as do 10 percent of those 55 through 59 years old. Among part-timers under 55 years old, 57 percent prefer part-time arrangements, while among those 55 through 59, 64 percent prefer part-time.
- **Fully 36 percent of employees 60 or more years old have part-time jobs and another 21 percent of those employed full-time would prefer to be working part-time—making a total of 57 percent.** Among part-time employees 60 or older, nearly all (91%) prefer part-time.

Although it is clear that many older workers prefer part-time, our governmental system is not set up to encourage it. Reduced earnings in the years preceding the Social Security retirement age may reduce Social Security benefits—a primary source of income for many retirees. In addition, among older employees eligible for guaranteed benefit pension plans from their employers, the decision to reduce work hours may be particularly onerous, since pension benefit levels are typically determined not only by years of employment, but also by earnings during the last few years of employment. If demography is destiny and predictions that the aging of the baby boom generation will create worker shortages in the years ahead become reality, it will become more important than ever to retain older employees in the workforce. To accomplish this, it may become necessary to reduce the Social Security and pension benefit penalties associated with part-time employment.

Is there a part-time penalty?

In other analyses we conducted of the 2002 National Study of the Changing Workforce to explain why women earn less than men, we find that part-time work is one of the main factors predicting the wage gap between men and women.³ Lower earnings are, of course, a consequence for all part-time employees—men and women. As we have shown above, the majority of part-time employees voluntarily accept cuts in pay associated with part-time work. **However, the 33 percent of women and 48 percent men who work part-time on an involuntary basis are being penalized by a labor market that under-employs them.**

It also seems that many employers undervalue even voluntary part-time workers. We asked employees working in places that employ part-timers: “Do people who have part-time jobs receive pay and benefits comparable to what is received by people who work full-time in the same positions, based upon the percentage of a full-time job they work? Or do they receive

less than a straight percentage of full-time pay and benefits *just because they work part-time?*" We find that:

- **61 percent of employees working in organizations that have part-time employees say that part-timers receive less compensation on a *pro rata* basis than full-timers doing the same jobs *just because they work part-time*.**

This finding strongly suggests that part-time work is valued less than full-time work by many employers. In addition:

- Only 40 percent of employees in part-time positions are offered health insurance through their jobs versus 90 percent of full-time employees.
- 62 percent of part-time employees do have health insurance coverage from a source other than their job.
- **19 percent of part-time employees versus only 9 percent of full-time employees do not have health insurance coverage from any source.**

We cannot independently verify the impact of part-time employment on wages because of the many factors in play.

Can employees who work part-time move to full-time work if they wish, and can full-timers move to part-time work?

Some have referred to part-time work as a ghetto—that is, it is hard to move from part-time to full-time work if you want to. Thus, we asked employees in the NSCW if they can move back and forth between part- and full-time in their current positions. We find:

- 40 percent of employees believe that they could work full-time, if they are currently part-time, or they could work part-time, if they are currently full-time—in the same position.

These findings suggest that there is some measure of work schedule flexibility with respect to part-/full-time employment for at least two in five employees.

Some employees with full-time jobs (18%), especially women, wish they could work reduced hours but don't:

- **24 percent of women and 13 percent of men who are full-timers would prefer to be working part-time.**
- Women working full-time with children under 18 at home are much more likely (32%) than women without children (19%) to want to be working part-time.

So, why don't these full-time employees work part-time?

- 70 percent report they don't work part-time because they cannot afford to do so; and
- 44 percent say they would not be allowed to do so by their employers.

A total of 80 percent of employees who would like to work part-time but don't either cannot afford to do so or would not be allowed to do so.

Employees who work full-time, but *could afford to work part-time and would be allowed to do so*, cite the following reasons for not doing so: 42 percent say they would not be as successful in their jobs/careers, 50 percent say full-time work is necessary for them to achieve their own standards; 34 percent say it is necessary for their organizations to succeed; and 54 percent say that they could not keep up with all the work they have to do.

Part-Year Work

Part-year work means working reduced hours on an annual basis, rather than a daily or weekly basis. For example, employees could work full-time during the school year and then take a block of time off during the summer to be with their children.

Who works part-year?

According to the 2002 National Study of the Changing Workforce, 7 percent of the wage and salaried workforce engages in seasonal work—that is, they work during seasons when their labor is in demand. Among seasonal employees, 42 percent prefer their seasonal jobs and 58 percent would prefer stable, year-round employment. We also estimate that another 9 percent or more of employees work only part of the year by their own choosing.⁴ Thus, a total of 16 percent of U.S. employees work part-year.

Who wants part-year work?

In the NSCW, we asked: “If your work allowed it and you could afford to take a cut in pay, would you like to take an extended period of unpaid leave from work each year in addition to any vacation time you take? For example, would you like to be able to take a month off work during the summer to be with children when they are out of school or take an unpaid leave at some other time of the year for whatever personal or family reason?”

Among wage and salaried employees not currently engaged in seasonal and part-year work, **52 percent said they would like part-year work**. Employees with and without elder care responsibilities, those at different earnings levels, managers or professionals, employees in all other occupations, and employees in goods-producing and service industries are equally likely to be interested in part-year schedules. However:

- Women are more likely (58%) than men (49%) to desire part-year arrangements;
- Parents are more likely (59%) than non-parents (49%) to want such arrangements; and
- Employees under 50 years old are more likely (56%) to desire part year work if they could afford it than employees 50 and over (47%).

Of those who said they would like to work part-year, 22 percent said they could arrange to do so with their current employer. We did not ask whether respondents could afford to work part-year—but their responses clearly indicate that there is an interest in this flexible work schedule option beyond the 9 percent of non-seasonal employees who already do so.

FLEX-LEAVES

Flex-Leaves can be thought of in two categories—those that are more likely to be *unanticipated and unplanned*, including time off during the workday to address personal and family issues and to care for sick children or family members, and those that are more likely to be *planned*, including vacations and parental leaves.

Time Off during the Workday to Address Personal and Family Issues

Some personal and family needs that arise within normal work hours are anticipated. These include doctor and dentist appointments or parent-teacher conferences. Other needs cannot be anticipated and scheduled, such as waiting for a plumber to fix a broken pipe or picking up a sick child from school, yet they require employees to take time away from work—perhaps only a short period of time—whether they have their supervisor’s blessing or not.

How hard is it for employees to take time off during the workday?

In the NSCW, we asked wage and salaried employees how hard it is to take time off during the workday for personal or family reasons:

- 31 percent say “not hard at all;”
- 32 percent say “not too hard;” and
- 37 percent of wage and salaried employees say “somewhat hard” or “very hard.”

Although access to this form of work schedule flexibility is unlikely to be a matter of formal policy, but rather a matter of informal practice negotiated with immediate supervisors or managers, it is extraordinarily important to individual employees—especially when emergencies arise.

Who finds it “not hard at all” to take time off during the workday?

Men and women, employees with and without elder care responsibilities, those at different earnings levels, and managers or professionals and employees in all other occupations find it equally easy to take time off during the workday to attend to personal and family matters. However:

- **Parents, who are often most likely to need this flexibility, are less likely (26%) than non-parents (34%) to say it is “not hard at all” to take time off during the workday;**
- Employees under 50 years old are less likely (28%) than employees 50 or more years old (38%) to say it is “not hard at all” to take time off during the workday; and
- Employees in goods-producing industries are more likely (35%) than those in service industries (29%) to say it is “not hard at all” to take time off during the workday.

It might seem counterintuitive that employees in goods-producing industries find it easier to take time off during the workday. However, these employees are not necessarily involved in assembly line work, and our goods-producing category includes agriculture, forestry, fishing, mining, and construction in addition to manufacturing. Moreover, the average worker in these industries is likely to be less “client/customer driven” on a day-to-day basis than employees in service industries.

Who uses time off during the workday?

Whether it is easy or difficult to take time off during the workday, mothers are much more likely to take time off to address children's needs than fathers. We find that 64 percent of mothers but only 27 percent of fathers living in couples say they are more likely than their spouses/partners to take time off work when one of them has to stay home with or do something with their child(ren) when both are supposed to be working. In the NSCW we did not ask about other personal and family reasons that employees take time off during the workday.

Time off for Personal Illness

Only 68 percent of the U.S. wage and salaried workforce has paid time off for personal illness—something that affects all employees *periodically*. Not having paid time off for personal illness may well mean coming to work ill—and during flu season, for example, infecting other employees, thereby reducing workforce productivity. Men and women, parents and non-parents, employees with and without elder care responsibilities have equal access to “some” time off for personal illness.

- Employees who earn more are much more likely than those who earn less to have paid personal sick days: only 47 percent of low-wage employees (bottom 25% of the earnings distribution) have paid sick leave versus 84 percent of high-wage employees (top 25% of the earnings distribution);
- Employees under 30 years old are less likely (55%) than employees 30 years old or older (72%) to have paid personal sick leave;
- Managers and professionals are much more likely (85%) to have paid sick leave than employees in all other occupations (60%), and
- Employees in the service industries are much more likely (73%) to have paid sick leave than those in goods-producing industries (53%).

In addition, all groups of employees who have access to paid sick leave are also more likely to be salaried than hourly workers. Salaried workers may be more likely to be allowed paid time off for personal illness even when their employers do not have formal sick leave policies since the pay of salaried workers is not (by law) directly tied to hours worked—salaried employees are typically expected to get their jobs done, whatever it takes and without additional pay.

Time off to Care for Sick Children

We define this option as being allowed to take a few days off to care for a sick child without losing pay, without using vacation days, and without having to make up some other reason for one's absence. Such leave typically begins without warning since the onset of a child's illness cannot usually be predicted. Time off to care for a sick child may consist of being allowed to use one's own sick leave for this purpose, having formal paid family days off, or making informal arrangements with one's supervisor to take time off.

Who has access to time off to care for sick children?

Slightly more than half (54%) of the wage and salaried workforce with children say they have *no time off to care for sick children without losing pay, having to use vacation days, or fabricating an excuse—a very substantial portion of the workforce*. Among parents, men and women and employees of different ages are equally likely to be allowed a few days off to care for sick children without penalty. However:

- Employed parents who earn less are much less likely than those who earn more to be able to take time off without penalty. Only 28 percent of low-wage employees (bottom 25% of wage distribution) have access to this option versus 58 percent of high-wage employees (top 25% of wage distribution).
- Managers and professionals (who also earn more on average) are much more likely (59%) than employees in all other occupations (40%) to be allowed a few days off to care for a sick child without penalty.
- Employees in service industries are also more likely (49%) than those in goods-producing industries (37%) to have this flexible option.

Employees who are more likely to be allowed time off to care for sick children without loss of pay, having to use vacation days, or having to make up an excuse are also those who are more likely to have paid personal sick days and are more likely to be salaried workers. In our experience, very few employers have formal policies providing paid days to care for sick children. It seems far more likely that employees who have the flexibility to take a few days off to care for a sick child are allowed to use their own sick days for that purpose and/or are allowed to take the time they need as *salaried* employees who do not work on the clock, but are expected to get their jobs done regardless of any time they may take away from work.

Vacation Time

Who has access to paid vacation?

Seventy-eight percent of wage and salaried employees receive paid vacation days. Employees in goods-producing and service industries and employees with and without elder care responsibilities have equal access to paid vacation. However:

- Men have somewhat more access (80%) than women (75%);
- Employed parents have somewhat more access (81%) than non-parents (76%);
- High-wage workers (top 25% of earnings distribution) have much more access than low-wage workers (bottom 25% of earnings distribution)—91 percent versus 53 percent;
- Employees 30 or more years old have more access (81%) than those under 30 (67%);
- Managers and professionals are somewhat more likely (82%) than employees in all other occupations (76%) to have paid vacation time; and,
- Full-time employees are much more likely (86%) than part-time employees (38%) to receive paid vacation days.

Paid vacation days *can* offer significant flexibility for employees to address personal and family needs without losing pay as well as the opportunity to recuperate from the demands of work. However, if employees must take their vacation days at times scheduled by their employer, vacation does not really contribute to workplace flexibility. In addition, if employees cannot take *part days* as vacation, as many cannot do, this further reduces the value of vacation benefits as a means of managing work, personal, and family demands.

How much time do they receive?

The average amount of paid vacation received by wage and salaried employees is 14 days per year—ranging from 0 to 30 days per year. More advantaged employees—those earning more and managers and professionals—receive more vacation time on average. The big difference, however, is related to tenure with one’s current employer:

- Employees with one year or less tenure with their current employers receive an average of 7 days;
- Those with 2 through 4 years of tenure receive an average of 11 days;
- Those with 5 through 10 years of tenure receive an average of 15 days; and
- Those with more than 10 years of tenure receive an average of 20 days—nearly 3 times as many days as employees whose tenure is 1 year or less.

Increased vacation time is clearly a way of rewarding retention/tenure for many employers.

How many can use all of the vacation they receive?

Overall, 88 percent of employees who receive vacation time are able to use all the days they receive. Men and women, parents and non-parents, employees with and without elder care responsibilities, and employees of different ages are equally likely to be able to use all of the vacation days they receive each year. However:

- High-wage employees (top 25% of the wage distribution) are less likely than low-wage employees (bottom 25% of the earnings distribution) to be able to use all of their vacation—81 percent versus 91 percent;
- Managers and professionals are less likely (83%) than employees in all other occupations (91%) to be able to use all of their vacation; and
- Among employees who receive paid vacation time, those in service industries are somewhat less likely (87%) than those in goods-producing industries (92%) to be able to use all the time they have.

Parental Leaves

Parental leaves are planned time off for mothers and fathers for the birth, adoption, or care of a foster child.

There are many federal, state, and employer policies that cover parental leave. Leave may be unpaid or paid. Wage replacement, if any, may come from temporary disability insurance (for mothers giving birth), from the state, from the employer, or all of the above.

What are the laws governing parental leaves?

In 1993, the federal Family and Medical Leave Act (FMLA) was passed. This law ensures new mothers and fathers—biological and adoptive—job-guaranteed unpaid parental leaves of 12 weeks if they have worked at least 1,250 hours for their employer in the past year and are employed by an organization with 50 or more employees within a 75-mile radius of their worksite.

According to Families and Work Institute's 1998 Business Work-Life Study—a nationally representative survey of employers with 100 or more employees—one third of employers report that they actually offer more than 12 weeks off.⁵

As noted above, however, smaller employers are not covered by the federal FMLA, and the U.S. workforce is disproportionately employed by small organizations. In fact, according to the U.S. Department of Labor, only 47 percent of private sector employees work for companies covered by the FMLA and also meet the length of service and hours-related eligibility requirements.

Who has access to parental leave?

In previous years of administering the NSCW survey, we asked about parental leave and have found that almost all women are allowed leave for maternity regardless of employer size and that most men are allowed some time off when their wives or partners give birth. Thus, we did not repeat these questions in the 2002 NSCW. Also we do not have detailed, up-to-date empirical data about small employers or leave for adoption and foster care.

What do employees want?

In the 2002 NSCW, we asked women who were under 45 years of age and who did not currently have children, but plan to have or adopt children in the future, what they think their leave plans will be:

- 13 percent think they will return to work as soon as possible (i.e., immediately following the period of postpartum disability), while 59 percent think they will take a few more weeks or months and 28 percent think they will stop working for a longer period of time (more than a period of "months").
- 75 percent think they will work full-time when they return to work, while 25 percent think they will work part-time.

That 28 percent of women plan to stop working for a longer period indicates that many new mothers want time out of the workforce. Although this phenomenon is frequently written about as if it is a once-and-for-all choice, data from the Current Population Survey from the Bureau of Labor Statistics reveal that women are taking longer leaves rather than "dropping" or "opting" out for good. There has been a change in labor force participation of mothers with infants. It has dropped from 57.9 percent in 1997 to 54.9 percent in 2001. The percentage of employed mothers of 2 year olds has stayed the same (65.8%) during this period, however, and has increased for mothers with children ages 6 through 17 from 77.9 percent in 1997 to 78.3 percent in 2001.

Thus, it seems likely that the current trend toward time out of the workforce for new mothers will continue, indicating a need to provide flex-careers (see next section.)

Among employees (men and women) under 45 years old without children of any age (23% of the sample), 79 percent expect to have biological or adopted children some day. Ten percent of these employees have delayed having children because of their jobs and 2 percent have decided not to have children because of their jobs.

Among women under 45 years old who do not currently have children, but expect to at some point in the future, only 53 percent are “very optimistic” that they will find a job that will allow them to be “successful at work and successful as a parent” once they have children. Another 38 percent are “somewhat optimistic” while 10 percent are “not too optimistic” or “not optimistic at all.”

FLEX-CAREERS

Flex-Careers, as defined by the Alfred P. Sloan Foundation on the basis of the research they have funded over the years, include multiple points for *entry*, *exit*, and *re-entry* over the course of one’s career or working life, including formal leaves and sabbaticals, as well as taking time out of the paid labor market, with the ability to re-enter.

Who wants flex careers?

Although we didn’t ask about flex-careers in the NSCW, the findings (reported above) about how new mothers expect to manage their plans make it clear that there is a demand for this kind of work option. As described above, only 13 percent of women who expect to have children plan to return right away, and 28 percent plan to stay out of the workforce for a period of time.

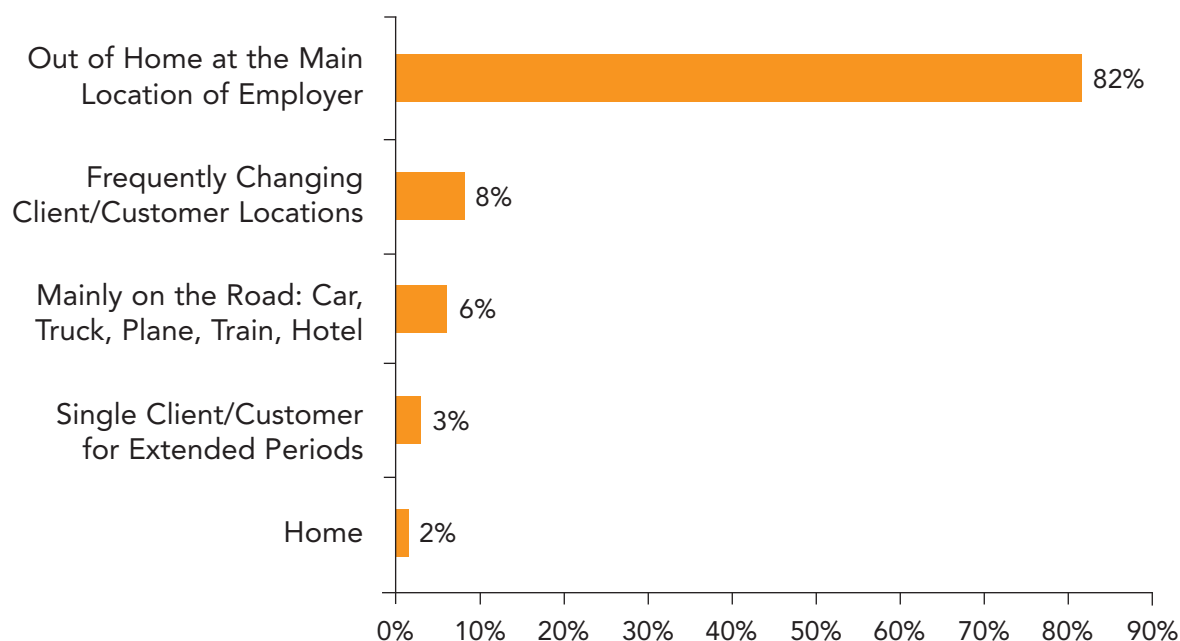
FLEX-PLACE

Flex-Place is defined as working some or most of one’s regularly scheduled hours at a location other than the main location of one’s employer. It includes primary and occasional arrangements.

Where do employees typically work?

As shown in Figure 5, most employees (82%) work mainly outside the home at the fixed locations of their employers. Only 2 percent work primarily at home, perhaps voluntarily, but also at the pleasure of their employers. Another 17 percent mainly work “offsite”—at frequently changing customer/client locations, on the road, or at the locations of single clients/customers for extended periods. Employees who work at these different locations are equally satisfied with their jobs.

Figure 5: Primary Work Locations of Employees in 2002



Who wants to work at home?

Only 2 percent of employees work primarily at home, while another 9 percent spend part of their regular work week working from home. **Among employees who do not work any regularly scheduled hours at home (89% of wage and salaried workers), 43 percent would like to be able to do so.** Men and women, employees with and without elder care responsibilities, employees at different earnings levels, managers/professionals and employees in other occupations, and those in goods-producing and service industries are equally likely to want to work part of their regular work weeks at home. However:

- Employed parents are more likely (48%) than non-parents (40%) to want the option of working at home.
- Also, employees under 50 years old are more likely (48%) than those over 50 years old (33%) to want to work part of their regular work weeks at home.

The desire to “telecommute” from home has become attractive to a very significant segment of the labor force especially after 9/11. About half of employees spend at least part of their regular work week working at home or would like to do so.

What are the obstacles to working at home?

Employees who do *not* want to work any of their regularly scheduled hours at home were asked why. They gave the following reasons for not wanting to work at home:

- 44 percent said it would be impractical;
- 23 percent said it would interfere with family life; and
- 5 percent said they do not have the equipment for work from home.

Employees who would like to work at home were also asked why they didn't:

- 60 percent said it would be impractical;
- 22 percent said they would not be allowed to; and
- 8 percent said they don't have the equipment to work from home.

Clearly a large proportion of the wage and salaried workforce is interested in having the option of working some regular hours from home. The perceived practicality or impracticality of doing so may, in part, be a matter of available technology, but clearly not all employees can work effectively from home regardless of technology—consider, for example, some jobs in manufacturing and retail sales. Our experience also indicates that employers who are self-starters are more successful at telecommuting. These caveats notwithstanding, many more employees than currently work regularly scheduled hours from home might be able to make these arrangements.

EMPLOYEE DESIRE FOR MORE FLEXIBILITY

In the 2002 NSCW study, we asked employees whether they would “like to have more flexible work options” and whether they would “use them if there were no negative consequences at work and [their] job responsibilities permitted.” **Fully 79 percent of employees said yes.** Men and women, parents and non-parents, employees with and without elder care responsibilities, employees at different earnings levels, managers/professionals and employees in all other occupations, and employees in goods-producing and service industries are equally likely to want more flexible work options. The only difference we found was by age:

- Employees under 30 years old are more likely (85%) than older employees (77%) to want more flexible work options.

Of course, younger workers are less likely to have some of these options (e.g., personal sick days, vacation days), but it may be that newer entrants to the labor force also have higher expectations regarding workplace flexibility—a possibility that employers should consider. Overall, it is clear from these findings that flexible work options are viewed as desirable by the workforce in general—not just women and employed mothers—contrary to the opinions of some.

IS THERE WORKPLACE SUPPORT FOR FLEXIBILITY?

Although we find that the vast majority of employees want and would use more flexible work options if there were no repercussions, we also find that many employees believe that there are, in fact, negative consequences for working flexibly. In the 2002 NSCW survey, we asked respondents whether they agree or disagree with the following statement: “At the place where you work, employees who ask for time off for family reasons or try to arrange different schedules or hours to meet personal or family needs are *less* likely to get ahead in their jobs or careers.” **Overall, 39 percent of respondents agree that there is job jeopardy for working flexibly.** This jeopardy may come from employers who offer flexibility and then penalize its use, and/or from employees who—perhaps erroneously—believe that advancement primarily depends on face time.

Men and women, employees with and without elder care responsibilities, employees at different earnings levels, managers and professional versus employees in all other occupations, and employees in goods-producing and service industries are equally likely to believe that using flexible work options would have negative effects on their job advancement. However:

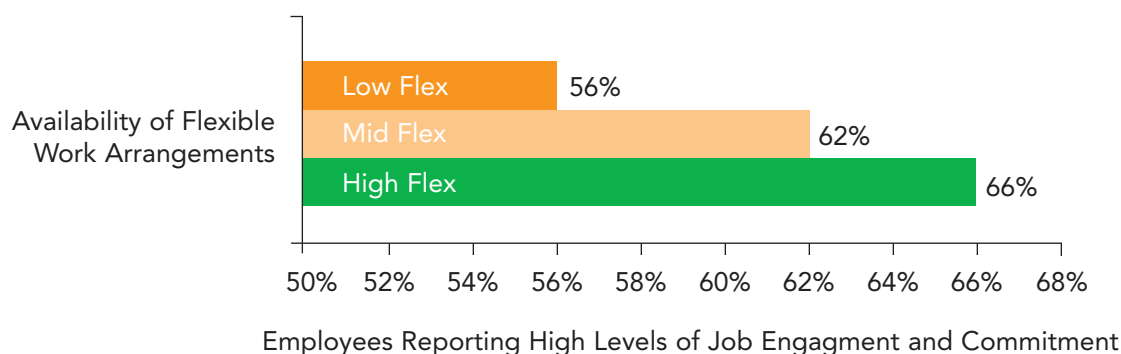
- **Employed parents are more likely (43%) than non-parents (35%) to believe that using flexible work schedule options would have negative effects on their job advancement; and**
- Employees in goods-producing industries are also more likely (42%) than those in service industries (37%) to believe that using flexible work options might jeopardize their job advancement.

It is particularly disturbing that employed parents are concerned about using flexible work schedule options, since they are more likely than most others to need and benefit from such flexibility.

What is the impact on business of providing workplace flexibility?

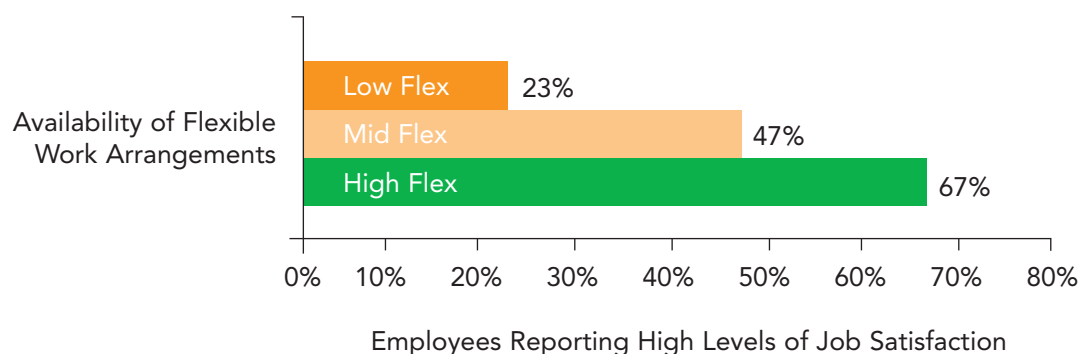
- Employees with more access to flexible work arrangements—as measured by our 13 item index—are more engaged in their jobs and committed to their current employers—more loyal and willing to work harder than required to help their employers succeed (Figure 6).

Figure 6: Flexible Work Arrangements Related to Job Engagement and Commitment to Employer



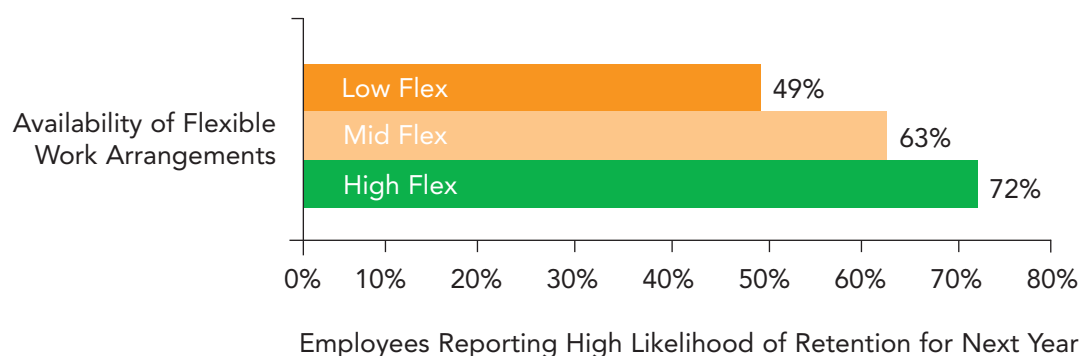
Employees who have more access to flexible work arrangements are also significantly more satisfied with their jobs (Figure 7).

Figure 7: Flexible Work Arrangements Related to Job Satisfaction



Employees with more access to flexible work arrangements are more likely to plan to stay with their current employers for at least the next year (Figure 8).

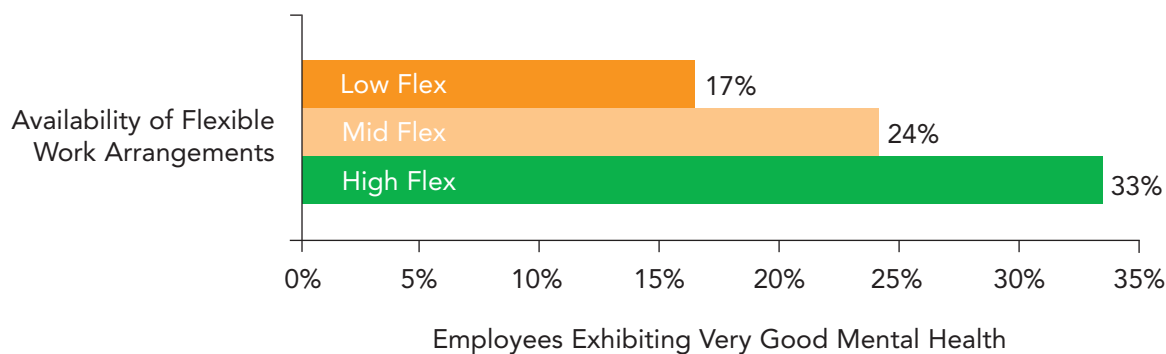
Figure 8: Flexible Work Arrangements Related to Retention



What is the impact for employees of having access to workplace flexibility?

Employees who have more access to flexible work arrangements report fewer mental health problems⁶ (Figure 9).

Figure 9: Flexible Work Arrangements Related to Mental Health



In view of this finding, we were concerned that people with significantly better mental health *in the first place* might be in a better position to obtain high-quality jobs that offer options such as flexibility. And although this is not an easy issue to untangle completely, we controlled statistically for both education and earnings to see whether these two factors—both of which are associated with having better jobs—would eliminate the connection. Even when education level and earnings are taken into account, however, there is still a strong correlation between access to flexible work arrangements and better mental health.

Obviously, better mental health is positive for employees, but it is also a positive for employers, since employees with better mental health are likely to have lower health care costs and to be more effective on the job.

CONCLUSION

The economy and the composition of the workforce have changed and in the wake of these changes the workplace has changed as well. On one hand, work has become longer and harder for many employees, while on the other, workplace flexibility has increased. For example, in 1992, 29 percent of employees had access to traditional flextime, but by 2002 that number had climbed to 43 percent.

Attitudes about workplace flexibility, however, have not kept pace with new realities in the minds of many. All too often, flexibility is seen as simply a perk for employees. Findings from the National Study of the Changing Workforce, however, clearly demonstrate that workplace flexibility can be a strategic tool in achieving business objectives.

Managing more flexibly and working more flexibly place new responsibilities on both managers and employees. Optimal flexibility will not be the same for every employer or employee. Solutions must be tailored to the operational needs of each organization and adjusted to fit the roles, needs, and abilities of different employees to accept the responsibilities required for working flexibly.

Despite the common perception that flexibility is primarily for employed mothers and parents, when flextime is offered, for example, 68 percent of men and 70 percent of non-parents use it. When we ask employees whether they would “like to have more flexible work options” and whether they would “use them if there were no negative consequences at work and [their] job responsibilities permitted,” fully 79 percent say yes. Men and women, parents and non-parents, employees with and without elder care responsibilities, employees at different earnings levels, managers/professionals and employees in all other occupations, and employees in goods-producing and service industries are equally likely to want more flexible work options. The only difference we found was by age: employees under 30 who have less flexibility on average are especially likely to want greater overall flexibility in their work lives. Furthermore, 57 percent of employees 60 and older either want to work part-time or do so already. As the workforce ages, part-time employment options are likely to become even more important—though penalties in terms of reduced Social Security and pension benefits will have to be addressed for some workers.

As with any social or economic change, the transformation to a more flexible workplace has not always been easy or smooth. Most significant is the perceived penalty for using flexibility, with 39 percent believing this to be the case.

And to the extent that the economy is bifurcated into haves and have-nots, flexibility is part of this equation with more advantaged workers having greater access to flexibility than less advantaged workers—even though flexibility has equal or greater positive effects on the engagement, job satisfaction, and retention of less advantaged employees, as FWI as reported in a previous study.⁷

Findings from the National Study of the Changing Workforce suggest, however, that times are changing, that working with flexibility will become as commonplace as working with technology. Thus, it is incumbent on us to continue to design new ways of working that benefit both employers and employees.

ENDNOTES

1 We understand that our index of workplace flexibility is a new measure and, perhaps, more comprehensive and complicated than employers are likely to use in internal surveys. Thus, we suggest obtaining an index of flexibility by asking employees whether or not they have the flexibility they need to manage their work, personal, and family lives. We also believe it is extremely important to assess whether employees *believe* they can use flexible work arrangements without jeopardizing their job advancement.

2 Rapoport, R., Bailyn, L., Fletcher, J.K., and Pruitt, B.H. (2002). *Beyond Work-Family Balance*. San Francisco: Jossey-Bass.

3 See for example: Bond, J.T. with Thompson, C., Galinsky, E., and Prottas, D. (2003). *Highlights of the [2002] National Study of the Changing Workforce*. New York: Families and Work Institute. [Available from familiesandwork.org] Also see: U.S. General Accounting Office (2004). Report GAO-04-35. [Available at gao.gov]

4 We do not include professional educators in the seasonal workforce even though many do not work during the summer months. We exclude professional educators at post-secondary levels from our estimates of voluntary part-year work since many, but not all, work year-round. We classify professional educators at pre-kindergarten through high school levels as voluntary “part-year employees” since most, though not all, have nine-month contracts and take the summers off. Although our estimate of the proportion of voluntary part-year employees is imperfect, we believe that it is sufficiently accurate to portray the current extent of voluntary part-year employment in the U.S. workforce.

5 Galinsky, E. & Bond, J.T. (1998). *The 1998 Business Work-Life Study*. New York: Families and Work Institute.

6 One can, of course, debate which way causation flows both with respect to mental health as well as other outcomes. Impaired mental health may be caused by the behavior of supervisors/managers or by other factors off the job, and mental health problems originating in one place can be exacerbated by experiences in another. Nevertheless, the overall pattern of findings showing relationships between employees’ mental health and flexible work arrangements, supervisor/management support, and workplace culture is certainly provocative. Moreover, we have additional evidence, not reported here, that excessive job demands, workplace stresses, and lower job quality are related to poorer mental health—all of which suggests that experiences on the job do significantly affect the mental health of employees.

7 Bond, J.T. (2003). *The Impact of Job and Workplace Conditions on Low-Wage and –Income Employees and Their Employers*. New York: Families and Work Institute.

Research Background

The research findings reported here are drawn mainly from Families and Work Institute's National Study of the Changing Workforce (NSCW). The NSCW is conducted every five years, beginning in 1992 and most recently in 2002. This representative sample of approximately 3,500 workers includes wage and salaried employees, self-employed workers, and business owners, although the data presented here pertain only to wage and salaried employees.

In addition to the National Study of the Changing Workforce, we sometimes include data from the 1977 Quality of Employment Survey (QES) conducted by the University of Michigan Institute for Social Research, which was commissioned by the U.S. Bureau of Labor Statistics. A number of questions in the NSCW parallel questions in the QES, making historical comparisons possible. The 25-years separating the 2002 NSCW and 1977 QES represents what demographers typically consider a generation.

Published reports:

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